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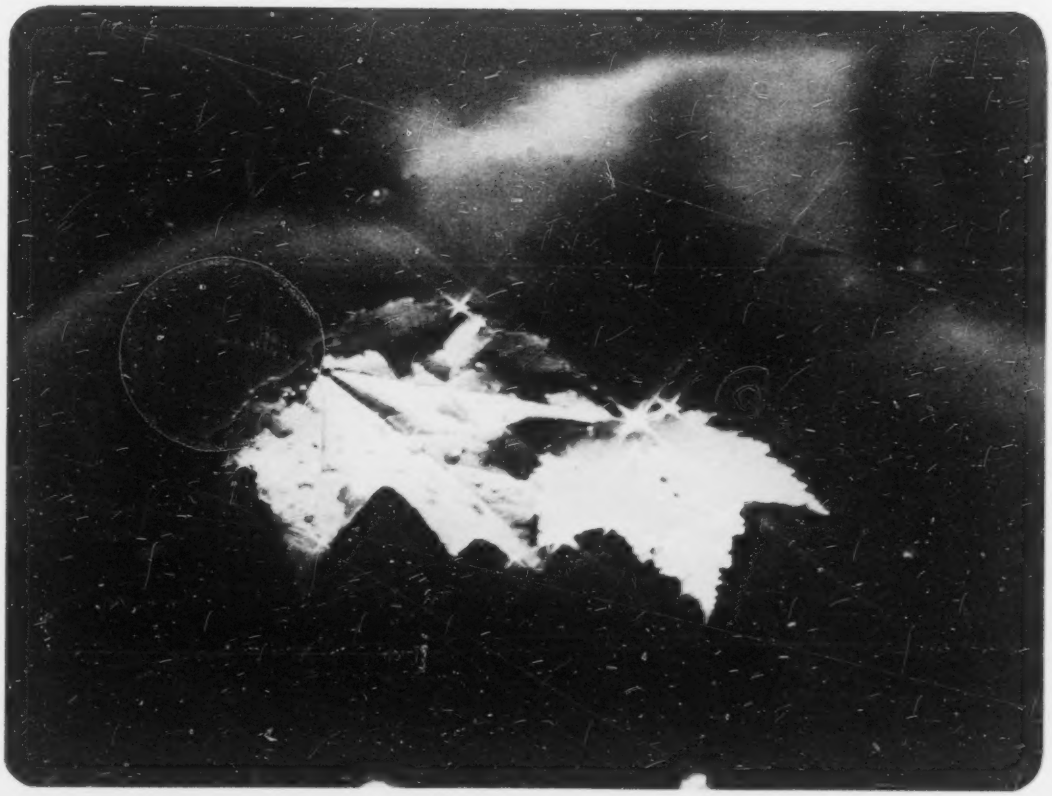
WISCONSIN ECONOMIC INDICATORS

AUGUST 1985



DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wis. Dept. of Industgry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

COVER PHOTO: Courtesy of Wisconsin Division of Tourism.

THE WISCONSIN ECONOMY

SUMMARY FOR JULY

LEADING INDICATORS OF ECONOMIC ACTIVITY THROUGHOUT THE STATE WERE MOSTLY NEGATIVE IN JULY. WISCONSIN'S LABOR FORCE DECREASED AND THE UNEMPLOYMENT RATE ROSE SLIGHTLY.

LEADING INDICATORS

Slightly fewer hours were spent on the job by production workers in Wisconsin's manufacturing industries. The manufacturing workweek normally does decrease a bit from June to July; so when adjusted for seasonal variation, the average number of hours worked per week maintained an even trend.

A slight increase, in the same period, of average weekly overtime hours was typical of the normal seasonal pattern. An increase of the overtime average is possible with a decline in the total workweek average. The state's food processing industry, which added seasonal workers rather than overtime, shortened the total manufacturing workweek average. The remaining manufacturing industries lost employment, but stretched the workweek into overtime hours.

Growth in the number of average weekly initial claims for unemployment compensation brought the claims near to the year-ago level. Initial claims usually increase in July, but this month's increase is larger than normal. Somewhat alleviating the claims increase was an increase in the number of job openings received by state Job Service offices throughout the state. The job openings received, however, did not increase as much as is seasonally normal.

A decline in the number of new business incorporations kept the July trend even. New incorporations normally decline this month. June is historically the month with the highest average number of new business incorporations.

The net gain in business telephone access lines decreased in July, indicating a slackening of business place formation. A decrease is normal in July. In fact, the telephone access line decrease was less than normal, producing an upward trend in the seasonally adjusted figure.

Building plans examined by state officials for commercial and industrial structures decreased. A decrease is normal in July, but this decrease is more than seasonally normal. The plans examined level had been unusually high for the previous two months.

WISCONSIN LABOR FORCE

Total employment decreased throughout Wisconsin from June to July by over 14 thousand workers. Employment does usually weaken in July, but this month's decrease was much more than normal. The large employment decrease was local government losses - summer furloughs in jobs related to education. That is normal. However, other industries, which usually gain summer employment, did not take up the slack.

Total unemployment, which usually decreases slightly in July, increased slightly this month. Together with a labor force which diminished, the greater joblessness nudged up the unemployment rate. Wisconsin's labor force, the number of both those working and those looking for jobs, is about 11 thousand fewer than one year ago.

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	Yr/Ago	AVG. 1984
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	INDEX	77.3	Jul	80.0	69.6	-3.4	11.1	70.1
L2 AVG. WORK WEEK, MFG.								
Unadjusted	HOURS	40.9	Jul	41.3	40.8	-1.0	0.2	41.1
Seasonally Adjusted		41.2		41.2	41.1	0.0	0.2	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	HOURS	3.3	Jul	3.2	3.1	3.1	6.5	3.2
Seasonally Adjusted		3.4		3.3	3.2	3.0	6.2	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	NUMBER	9,951	Jul	7,883	10,025	26.2	-0.7	10,817
Seasonally Adjusted		11,069		9,113	11,151	21.5	-0.7	
L5 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	8,403	Jul	8,251	11,868	1.8	-29.2	8,694
Seasonally Adjusted		6,474		7,481	9,143	-13.5	-29.2	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	NUMBER	578	Jul	592	567	-2.4	1.9	562
Seasonally Adjusted		562		561	551	0.2	2.0	
L7 NET GAIN IN BUSINESS PHONES ACCESS LINES								
Unadjusted	NUMBER	1,232	Jul	2,558	-2,805	-51.8	143.9	328
Seasonally Adjusted		1,402		1,168	155	20.0	804.5	
L8 BUILDING PLANS EXAMINED								
Unadjusted	NUMBER	501	Jul	623	586	-19.6	-14.5	487
Seasonally Adjusted		436		445	510	-2.0	-14.5	
ROUGHLY COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	INDEX	59	Jul	57	57	3.5	3.5	52
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	PERCENT	6.7	Jul	6.6	6.8	-	-	7.4
Seasonally Adjusted		6.9		6.7	7.8	-	-	
C3 NATURAL GAS SALES								
Unadjusted	MIL. THERMS	113.7	Jun	145.1	120.8	-21.6	-5.9	252.5
Seasonally Adjusted		229.7		198.8	224.1	15.5	-5.9	
C4 NEW CAR REGISTRATIONS								
Unadjusted	NUMBER	20,424	Jul	20,801	15,127	-1.8	35.0	16,066
Seasonally Adjusted		21,289		14,560	15,757	46.2	35.1	
C5 ELECTRIC POWER SALES								
Unadjusted	MIL. KWH	1858.5	Jun	1883.0	1874.3	-1.3	-0.8	1865.8
Seasonally Adjusted		1851.1		1949.3	1867.4	-5.0	-0.9	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	73.8	Jul	501.8	62.2	-85.3	18.6	89.4
Seasonally Adjusted		82.1		586.9	69.2	-86.0	18.6	

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month	Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1984
C7 MANUFACTURING EMPL.							
Unadjusted	THOUS	522.3 Jul	522.0	527.6	0.1	-1.0	518.3
Seasonally Adjusted		513.1	519.4	518.1	-1.2	-1.0	
C8 AVG. WEEKLY EARNINGS, MFG.							
Unadjusted	DOLLARS	416.36 Jul	423.33	405.14	-1.6	2.8	412.46
Seasonally Adjusted		423.13	421.49	411.90	0.4	2.7	
C9 CASH RECEIPTS FROM FARM MKTG.							
Unadjusted	MIL. DOL	458.9 Dec	494.0	430.8	-7.1	6.5	435.9
Seasonally Adjusted		444.5	443.4	416.0	0.2	6.9	
C10 CONTRACT CONSTRUCTION EMPL.							
Unadjusted	THOUS	67.2 Jul	64.7	64.4	3.9	4.3	58.3
Seasonally Adjusted		59.5	59.6	57.1	-0.2	4.2	
OTHER KEY INDICATORS							
X1 BIRTH REGISTRATIONS							
Unadjusted	NUMBER	6,776 Jul	6,015	7,096	12.7	-4.5	6,101
Seasonally Adjusted		6,045	6,157	6,332	-1.8	-4.5	
X2 DEATH REGISTRATIONS							
Unadjusted	NUMBER	3,524 Jul	2,958	3,643	19.1	-3.3	3,438
Seasonally Adjusted		3,455	3,091	3,572	11.8	-3.3	
X3 NATURAL NET GAIN POPULATION							
Unadjusted	NUMBER	3,252 Jul	3,057	3,453	6.4	-5.8	2,663
Seasonally Adjusted		2,681	3,129	2,846	-14.3	-5.8	
X4 MARRIAGE REGISTRATIONS							
Unadjusted	NUMBER	4,869 Jul	4,763	4,639	2.2	5.0	3,420
Seasonally Adjusted		3,554	3,505	3,386	1.4	5.0	
X5 CONSUMER PRICE INDEX (MILW.)			(May)				
Unadjusted	INDEX	331.1 Jul	330.9	321.3	0.1	3.1	320.6
X6 PRICES RECEIVED BY FARMERS							
Unadjusted	INDEX	129 Jul	130	142	-0.8	-9.2	144
Seasonally Adjusted		131	130	144	0.8	-9.0	
X7 NET GAIN IN RESIDENTIAL PHONES ACCESS LINES							
Unadjusted	NUMBER	-1,267 Jul	561	-1,413	144.3	10.3	750
Seasonally Adjusted		1,517	1,981	203	-23.4	647.3	
X8 LABOR DISPUTES, NO. OF WORKERS							
Unadjusted	NUMBER	598 Jul	0	119	-	402.5	520
Seasonally Adjusted		462	0	92	-	402.2	
X9 UNEMPL. COMPENSATION EXHAUSTEES	NUMBER						
Unadjusted		28,511 Jul	28,811	29,318	-1.0	-2.8	28,186
Seasonally Adjusted		26,014	25,229	26,756	3.1	-2.8	

Section

B

LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES JULY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Unadjusted					
CIVILIAN LABOR FORCE	2394.5	2407.3	2405.9	-0.5	-0.5
Employment (Inc. Labor Disputes)	2235.1	2249.3	2243.2	-0.6	-0.4
Unemployment	159.4	158.0	162.8	-0.6	-0.4
Unemployment Rate	6.7	6.6	6.8	-	-
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2371.5	2379.7	2426.8	-0.3	-2.3
Employment (Inc. Labor Disputes)	2208.9	2219.7	2238.7	-0.5	-1.3
Unemployment	162.6	160.0	188.1	1.6	-13.6
Unemployment Rate	6.9	6.7	7.8	-	-

WISCONSIN EMPLOYMENT ESTIMATES JULY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	1990.8	2014.5	1949.7	-1.2	2.1
Unadjusted					
Manufacturing	521.9	522.0	527.5	-0.0	-1.1
Mining	2.2	2.1	2.1	4.8	4.8
Contract Construction	67.2	64.7	64.4	3.9	4.3
Transportation and Public Utilities	88.7	91.6	87.2	-3.2	1.7
Elec., Gas and Sanitary Services	17.9	17.8	17.6	0.6	1.7
Wholesale Trade	101.3	101.6	101.9	-0.3	-0.6
Retail Trade	377.3	377.0	358.3	0.1	5.3
General Merchandise	48.1	48.0	46.9	0.2	2.6
Finance, Insurance and Real Estate	108.6	107.9	104.2	0.6	4.2
Banking	29.2	29.0	27.9	0.7	4.7
Insurance	34.0	34.0	32.5	0.0	4.6
Service and Miscellaneous	425.9	424.5	412.4	0.3	3.3
Hospitals	67.6	67.8	70.1	-0.3	-3.6
Private Education	21.5	22.4	21.9	-4.0	-1.8
Government	297.8	322.9	291.8	-7.8	2.1
State Government	77.1	79.1	74.5	-2.5	3.5
Local Government	192.6	216.0	189.9	-10.8	1.4

UNITED STATES LABOR FORCE ESTIMATES JULY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	155,314	114,783	113,868	0.5	1.3
Employment	106,862	106,370	105,377	0.5	1.4
Unemployment	8,451	8,413	8,491	0.5	-0.5
Unemployment Rate	7.3	7.3	7.5	-	-

MANUFACTURING EMPLOYMENT *(Unadjusted)* JULY	(In Thousands) Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	521.9	522.0	527.5
All Manufacturing (Excluding Canning)	505.6	510.3	511.3
Durable Goods	316.0	320.1	322.2
Lumber and Wood Prod., (Except Furniture)	22.6	22.4	22.4
Sawmills and Planning Mills	3.3	3.3	3.1
Millwork, Veneer, Plywood & Prefab. Wood Prod.	10.2	10.1	10.2
Furniture and Fixtures	11.2	11.3	10.4
Household Furniture	4.7	5.0	4.6
Stone, Clay and Glass Products	7.6	7.6	7.7
Concrete, Gypsum and Plaster Products	3.3	3.2	3.2
Primary Metal Industries	19.4	20.2	20.2
Iron and Steel Foundries	10.8	11.2	11.4
Fabricated Metal Products	49.1	49.5	51.7
Heating Equipment (Except Electrical) & Plumbing Fixtures	4.8	4.8	5.8
Fabricated Structural Metal Products	11.9	11.9	12.0
Metal Stampings	11.8	11.9	12.6
Machinery (Except Electrical)	100.7	101.8	101.7
Engines and Turbines	19.3	19.3	20.3
Farm Machinery and Equipment	12.1	12.3	13.6
Const., Min. & Material Handling Mach. & Equip.	10.4	10.7	11.1
Metalworking Machinery and Equipment	11.9	12.0	11.3
Special Industry Machinery (Except Metalworking)	11.2	11.4	10.9
General Industrial Machinery and Equipment	14.7	15.1	14.9
Service Industry Machines	7.9	7.9	7.9
Electrical Machinery, Equipment and Supplies	49.5	50.4	52.4
Electrical Industrial Apparatus	18.0	18.1	18.3
Household Appliances	6.5	6.7	7.0
Transportation Equipment	34.9	35.7	35.0
Motor Vehicles and Equipment	27.6	28.4	29.2
Instruments and Related Products	10.3	10.7	10.5
Miscellaneous Manufacturing	10.6	10.7	10.1
Nondurable Goods	205.9	202.0	205.3
Food and Kindred Products	70.0	64.7	69.7
Meat Products	15.0	14.4	14.6
Dairy Products	19.1	18.9	18.2
Canning and Preserving	16.3	11.7	16.2
Bakery Products	3.8	3.8	4.0
Beverage Industries	8.4	8.3	9.3
Textile Mill Products	5.1	5.1	4.9
Knitting Mills	4.3	4.3	4.1
Apparel and Other Finished Products	6.8	6.7	6.7
Paper and Allied Products	48.1	48.4	48.5
Pulp and Paper Mills	30.0	30.4	30.4
Converted Paper and Paperboard Products	9.8	9.7	9.6
Paperboard Containers and Boxes	7.2	7.1	7.2
Printing, Publishing and Allied Industries	38.0	38.1	36.7
Newspapers	11.8	11.9	11.4
Commercial Printing	15.9	16.1	15.6
Chemicals and Allied Products	10.2	10.1	10.1
Rubber and Misc. Plastics Products	21.0	21.1	20.5
Miscellaneous Plastics Products	16.9	17.0	16.1
Leather and Leather Products	6.3	7.3	7.8
Leather Tanning and Finishing	1.8	2.0	1.8
Footwear (Except Rubber)	3.1	3.8	4.2
Other Nondurable Goods	-	-	-

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JULY	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$416	$423	$405	40.9	41.3	40.8
All Manufacturing (Excl. Canning)	423	429	414	40.9	41.5	41.1
Durable Goods	428	440	420	40.7	41.7	41.0
Lumber/Wood Prod. (Exc. Furn.)	317	322	301	41.7	42.5	40.4
Furniture and Fixtures	293	301	308	39.5	40.5	41.0
Stone, Clay and Glass Products	411	401	402	43.5	42.6	42.6
Primary Metal Industries	405	409	406	40.8	41.3	41.8
Iron and Steel Foundries	412	408	421	41.2	40.7	42.7
Fabricated Metal Products	401	410	395	40.0	40.5	39.7
Fab. Structural Metal Prod.	424	442	421	42.4	43.0	42.1
Metal Stampings	387	396	374	38.4	39.4	38.4
Machinery (Except Electrical)	488	489	477	41.9	42.3	41.7
Engines and Turbines	547	496	544	43.1	40.1	43.8
Farm Machinery and Equip.	553	552	502	42.0	42.1	41.1
Const. and Related Mach.	493	484	483	41.7	41.2	41.3
Metalworking Mach. and Equip.	511	511	470	42.8	42.5	40.7
Spec. Ind. Mach. (Exc. Metal).	487	486	462	42.1	42.3	41.7
Gen. Industrial Mach. and Equip.	482	494	479	40.4	41.2	41.0
Electrical Mach., Equip. and Supp.	397	404	390	39.7	40.5	40.7
Electrical Industrial Apparatus	415	416	437	40.2	40.1	43.0
Transportation Equipment	564	615	549	40.6	43.8	41.4
Instruments and Related Prod.	335	360	341	37.4	40.0	40.5
Nondurable Goods	397	399	385	41.0	40.8	40.7
Food and Kindred Products	351	362	337	39.9	39.1	38.2
Meat Products	340	338	363	38.6	38.6	39.2
Dairy Products	399	398	373	41.4	41.9	40.6
Textile Mill Products	277	291	278	38.4	40.8	40.2
Apparel and Other Fin. Prod.	250	249	228	40.2	40.7	38.6
Paper and Allied Products	538	536	520	45.7	46.0	46.5
Pulp and Paper Mills	585	574	576	47.0	46.5	48.9
Printing, Pub. and Allied Prod.	419	403	416	38.9	37.7	38.6
Chemicals and Allied Products	434	444	432	40.7	41.5	41.5
Rubber and Misc. Plastics Prod.	326	322	324	39.1	39.1	40.3
Leather and Leather Products.	258	258	245	39.2	39.4	37.9

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JULY	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	10.18	10.25	9.93	9.80	9.88	9.58
All Manufacturing (Excl. Canning)	10.35	10.33	10.07	9.96	9.96	9.71
Durable Goods	10.52	10.55	10.24	10.20	10.22	9.93
Lumber/Wood Prod. (Exc. Furn.)	7.59	7.58	7.46	7.45	7.47	7.33
Furniture and Fixtures	7.42	7.43	7.52	7.32	7.31	7.37
Stone, Clay and Glass Products	9.45	9.42	9.44	9.19	9.20	9.22
Primary Metal Industries	9.92	9.91	9.71	9.59	9.57	9.32
Iron and Steel Foundries	9.99	10.03	9.85	9.72	9.74	9.47
Fabricated Metal Products	10.03	10.12	9.94	9.70	9.78	9.50
Fab. Structural Metal Prod.	10.01	10.27	10.00	9.56	9.82	9.55
Metal Stampings	10.07	10.05	9.75	9.88	9.87	9.57
Machinery (Except Electrical)	11.65	11.55	11.47	11.37	11.23	11.18
Engines and Turbines	12.69	12.37	12.41	12.54	12.06	12.17
Farm Machinery and Equip.	13.17	13.10	12.22	12.75	12.76	12.02
Const. and Related Mach.	11.82	11.75	11.69	11.55	11.51	11.44
Metalworking Mach. and Equip.	11.94	12.02	11.55	11.51	11.55	11.12
Spec. Ind. Mach. (Exc. Metal).	11.56	11.50	11.09	10.99	10.98	10.59
Gen. Industrial Mach. and Equip.	11.93	12.00	11.69	11.66	11.68	11.44
Electrical Mach., Equip. and Supp.	10.01	9.98	9.58	9.74	9.68	9.55
Electrical Industrial Apparatus	10.32	10.38	10.17	10.03	10.04	9.90
Transportation Equipment	13.88	14.05	13.25	13.22	13.43	12.47
Instruments and Related Prod.	8.97	9.00	8.42	8.86	8.87	8.31
Nondurable Goods	9.68	9.77	9.45	9.19	9.31	9.03
Food and Kindred Products	8.80	9.25	8.81	8.37	8.77	8.43
Meat Products	8.82	8.75	9.25	8.50	8.45	8.93
Dairy Products	9.63	9.51	9.19	9.14	9.06	8.81
Textile Mill Products	7.22	7.14	6.92	6.98	6.88	6.63
Apparel and Other Fin. Prod.	6.21	6.12	5.90	6.08	5.89	-
Paper and Allied Products	11.77	11.65	11.19	11.18	11.09	10.66
Pulp and Paper Mills	12.44	12.35	11.78	11.83	11.78	11.19
Printing, Pub. and Allied Prod.	10.77	10.68	10.77	10.22	10.24	-
Chemicals and Allied Products	10.67	10.69	10.42	10.44	10.42	10.20
Rubber and Misc. Plastics Prod.	8.34	8.23	8.03	7.97	7.96	7.79
Leather and Leather Products.	6.57	6.54	6.47	6.33	6.38	6.41

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) JULY	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$382	$386	$370	40.1	40.6	40.3	9.53	9.50	9.19	-	-
Wisconsin	416	423	405	40.9	41.3	40.8	10.18	10.25	9.93	9.80	9.88
Selected Areas											
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	433	429	414	43.3	42.9	42.8	9.99	9.99	9.68	9.49	9.53
Beloit (City)	300	353	362	33.3	38.3	39.0	9.02	9.22	9.28	-	-
Eau Claire (Eau Claire-Chippewa)	446	420	399	41.5	40.2	40.4	10.75	10.46	9.87	10.10	10.01
Fond du Lac (County)	357	361	377	39.9	41.4	41.6	8.95	8.72	9.06	8.66	8.42
Green Bay (Brown County)	456	459	445	41.6	41.8	42.7	10.95	10.99	10.41	10.35	10.37
Janesville (City)	536	556	545	39.2	40.8	41.1	13.67	13.63	13.27	13.35	13.30
Janesville-Beloit (Rock County)	461	480	465	37.9	40.1	40.2	12.17	11.97	11.57	11.84	11.64
Kenosha (County)	478	515	485	39.3	40.7	41.0	12.16	12.66	11.82	11.79	12.30
La Crosse (County)	340	355	331	36.8	37.5	37.7	9.24	9.47	8.78	8.79	9.02
Madison (Dane County)	395	385	418	41.6	40.4	41.7	9.50	9.52	10.03	9.00	9.07
Manitowoc (County)	353	376	337	38.5	40.2	39.3	9.17	9.35	8.59	9.01	9.12
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	474	475	459	40.9	41.1	40.8	11.58	11.55	11.24	11.06	11.01
Racine (County)	406	421	414	38.8	39.8	39.2	10.47	10.59	10.57	10.24	10.34
Sheboygan (County)	352	386	373	38.0	40.0	39.5	9.25	9.66	9.44	9.11	9.34
Wausau (Marathon County)	408	419	398	42.5	44.0	42.4	9.61	9.53	9.39	9.20	9.12

EMPLOYMENT, MFG. (Unadjusted) JULY	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,356.0	19,538.0	19,465.0	-0.9	-0.6
Wisconsin	521.9	522.0	527.5	-0.0	-1.1
Selected Areas					
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	47.9	48.3	47.5	-0.8	0.8
Beloit (City)	5.5	5.8	5.9	-5.2	-6.8
Eau Claire (Eau Claire-Chippewa)	9.3	9.1	9.5	2.2	-2.1
Fond du Lac (County)	10.8	11.0	10.7	-1.8	0.9
Green Bay (Brown County)	24.2	23.6	23.7	2.5	2.1
Janesville (City)	11.1	11.0	11.0	0.9	0.9
Janesville-Beloit (Rock County)	18.7	19.0	19.2	-1.6	-2.6
Kenosha (County)	13.2	14.1	16.1	-6.4	-18.0
La Crosse (County)	10.7	10.5	11.0	1.9	-2.7
Madison (Dane County)	22.3	22.0	20.6	1.4	8.3
Manitowoc (County)	11.0	11.0	11.5	0.0	-4.3
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	167.8	170.9	174.1	-1.8	-3.6
Racine (County)	24.9	25.3	25.8	-1.6	-3.5
Sheboygan (County)	18.6	18.9	19.7	-1.6	-5.6
Wausau (Marathon County)	12.0	11.9	11.4	0.8	5.3

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert
Department of Revenue

Consistent with recent forecasts, the current forecast for the national economy calls for continued economic growth during the 1985 to 1987 period. The pace of the economic expansion is projected to be at about the 2.5% level during the remainder of 1985 and 1986 with an acceleration to 3.5% growth in real output in 1987. Inflation is expected to remain under control with the Consumer Price Index increasing 3.5% in 1985, 3.8% in 1986 and 4.6% in 1987. Slow growth in the real economy will limit employment increases to 1.5 to 2%, just enough to keep the unemployment rate from rising, but not enough to bring it down.

Recent events in the financial markets point to a rebound in economic growth in the second half of this year. Interest rates have declined broadly since the second half of last year. Short-term rates are down most dramatically. The yield on 3-month Treasury Bills has fallen to 7.2% currently from a level of 10.3% in the third quarter of 1984. Long-term interest rates have also fallen on the order of 2 percentage points over the same period. These declines in interest rates should have a positive effect on housing and durable goods purchases which normally are financed in large part with debt. In fact, it is surprising that these interest sensitive sectors have not already shown a greater response to the decline in rates.

Another positive recent development has been the weakening of the dollar in the foreign exchange markets. Although the dollar is still 40% above its level of 1980, when its sharp appreciation began, it has declined significantly in recent months. If, as is forecast, this is the beginning of a fundamental adjustment of the dollar to a lower level, it is good news for American manufacturers who have lost both domestic and foreign markets to foreign competitors. A decline in the dollar would also be good news for farmers. U.S. farm exports have been hurt by the strong dollar, and a recovery of export demand could eventually provide some market support for farm commodity prices. However, the forecast does not assume a precipitous decline in the dollar or a dramatic improvement in the U.S. merchandise trade deficit. Instead, a gradual decline in the dollar is projected through 1987 which in turn allows a stabilization of the trade deficit at approximately current levels.

A key assumption is that some progress will be made towards a reduction in a federal government budget deficit. It is assumed that Congress will pass budgets that imply savings of $20 billion in fiscal 1986 and $50 billion in fiscal 1987. This is consistent with recently revised estimates of the Congressional budget resolution and recognizes that some savings called for in the budget resolution -- for example, farm program reductions -- are not likely to be realized in the appropriation process. Although these savings are relatively modest, they would allow for some reduction of new federal borrowing. This is important in order to reduce demand in the credit markets and prevent interest rates from rising. Without such a reduction, and given the relatively modest growth in the money supply which is also assumed, interest rates would increase, the dollar would strengthen and real economic growth would be lower.

A second key assumption is that the Federal Reserve will return money supply growth to within its announced target range. During the first half of the year, growth in the narrowly

defined money supply (M1)was in excess of the Federal Reserve's target range. This excessive money supply growth was effectively "forgiven" in July when the Federal Reserve announced revised money supply targets. The current forecast assumes that the Federal Reserve will now be less generous in supplying reserves to the banking system. However, the monetary stimulus provided earlier this year and the recent decline in interest rates should move the economy forward in the second half of this year.

After averaging 4.3% in 1984 and 5.2% in the first half of 1985, real consumption spending growth is expected to average 2.1% through 1986 and then increase to 3.2% in 1987. Consumption spending is likely to be restrained by the current high consumer debt burden. Consumer debt as a percent of disposable income is now above 18%, a level higher than the 1979 cyclical peak.

Despite a reduction in mortgage interest rates, housing starts have not increased significantly during the first half of 1985. This lack of response is not easily explained, but a positive response is expected in the second half of this year with housing starts forecast to increase to over 1.9 million units (annual rate) from the current level of 1.77 million units. Housing starts are forecast to gradually decline thereafter averaging 1.87 million units in 1986 and 1.82 million in 1987.

Spending for business fixed investment is also expected to grow more slowly this year and next compared to 1984. Last year was a banner year for investment spending with real growth of 19.8 percent. During the first half of this year, real investment spending increased at about a 7% annual rate. This rate is expected to diminish further in 1986 to 3.1% and then recover to 6.2% in 1987.

Investment spending this year has been bolstered by the recent strength in nonresidential construction which has grown at an annual rate of about 15% in the first half of this year. However, with vacancy rates for office buildings running at 16% (compared to 3.4% in 1980) a correction is forecast for 1986. Investment in producers durable equipment, by contrast, is projected to grow more steadily, averaging 5.4% real growth this year, 4.1% in 1986 and 7.0% in 1987.

The foreign sector has been a major problem for the U.S. economy during the last year. During 1984, imports increased 27.0% while exports grew only 4.7%. This, of course, caused a significant deterioration in our balance of trade. The strength of the dollar has been a key to the success of our foreign competitors.

With the dollar now declining and expected to decline further over the forecast period, growth of imports should diminish in the second half of this year. In 1986 and 1987 imports are projected to grow by only 3.1% and 3.7% respectively. Exports, after declining in the first two quarters of this year, are expected to turn up in the second half of this year and grow by 8.5% in 1986 and 9.7% in 1987.

Although the impact of foreign competition on U.S. industrial production is not expected to get any worse due to the falling dollar, the stable but large trade deficit is a restraining force. Therefore, industrial production is projected to increase by only 2.6% in 1986 and then accelerate to 4.7% in 1987.

Wisconsin Economic Outlook

The Wisconsin economy is expected to continue on a sustained but moderate recovery path after having perceptibly slowed during the first half of 1985. The recent sluggishness in Wisconsin has mirrored the economic performance

in the nation and does not as yet portend weakness. A sustained recovery does not, however, imply a booming economy. Employment and income growth will be modest for the remainder of this year and for the next two years as federal policymakers try to steer the economy through massive trade deficits and federal borrowing needs in competition with private capital demands.

Most of the recent slower growth stems directly from a mounting trade deficit and a high dollar exchange rate, causing goods producers to suffer losses of market share to foreign competition. Interest rates have moved down considerably, but have not yet sparked a resurgence in demand for domestically produced consumer durables and business investment, a large segment of the Wisconsin economic market. If the dollar can continue a gradual descent, the Wisconsin economy is expected to stay on a moderate recovery path.

Total nonfarm job growth in Wisconsin during the second quarter was 3,500 jobs, down consideraly from the first quarter when over 15,000 jobs were added to the economy. Since the trough of the last recession in the first quarter of 1983, nearly 153,000 jobs have been added to the Wisconsin economy. The current level of employment (1,987,400) stands 6,900 higher than the previous peak employment level in the last quarter of 1979.

Employment growth in Wisconsin's goods producing industries (construction, mining, and manufacturing) added 1,000 jobs in the second quarter, compared to 1,700 in the first. Employment in these industries has increased by 51,800 since the early 1983 through. However, current employment levels in the combined goods producing industries, which make up 34.8% of total private employment, remain 98,100 below the previous peak level in the fourth quarter of 1979. While this fact is a well-publicized source of social and economic pain, this situation should not be interpreted as indicating poor Wisconsin performance relative to the rest of the U.S. Goods producing employment growth has been slightly higher in Wisconsin than the U.S. during the recovery.

However, two other broad industry groups have shown recent signs of weakness due to the general slowing of the economy. Distributive industries, composed of wholesale and retail trade and the regulated industries (transportation, communication, utilities) saw a total job gain of only 300 in the second quarter over the first, compared to a gain of 7,800 during the first quarter. Service industries, which include finance, insurance and real estate, added 2,600 jobs during the second quarter, compared to 6,600 in the first. These industries have had employment gains at rates below the national average throughout the recovery period. Most of this subpar performance can be attributed to slower population and income growth during the recovery as overall growth in the state is composed of more growth in low-wage service and trade industries and less growth in the high-wage manufacturing sector.

Total nonfarm wage and salary employment in Wisconsin is now expected to show a gain of 2.6% this year over last. Total employment is projected to grow by 1.1% in 1986 and 2.0% in 1987. Manufacturing employment is expected to be essentially flat during 1985 and 1986, with some rebound in 1987 in response to a better international trade situation. Most employment gains are expected to continue to come in the trade and services industries, but will be restricted to the range of 2-3 percent per year.

Total personal income, adjusted for

(Continued on back cover)

WISCONSIN EMPLOYMENT FORECAST
(Thousands of Workers, Annual Average)

	1983	1984	1985	1986	1987
MANUFACTURING	484.2	517.9	515.4	517.3	528.3
DURABLES	295.7	321.7	317.5	319.1	327.8
LUMBER PRODUCTS	20.2	21.5	21.5	22.0	22.0
STONE, CLAY, GLASS	7.8	7.4	7.1	7.2	7.3
PRIMARY METALS	17.6	19.9	19.9	19.8	20.8
FABRICATED METALS	48.6	50.9	49.5	49.0	52.2
NON-ELECT. MACHINERY	92.7	102.3	101.8	103.5	105.9
ELECTRICAL MACHINERY	49.1	52.6	50.2	48.9	49.9
TRANS. EQUIPMENT	33.3	36.1	35.1	36.5	36.9
OTHER DURABLES	26.3	31.1	32.3	32.3	32.8
NONDURABLES	188.5	196.2	198.0	198.2	200.5
FOOD PRODUCTS	61.7	62.7	63.4	63.5	63.6
PAPER PRODUCTS	46.7	47.2	47.0	47.0	47.6
PRINTING & PUBLISHING	33.6	36.2	37.8	38.6	40.0
CHEMICALS	9.3	9.8	9.9	9.9	10.0
RUBBER & PLASTICS	17.7	20.5	20.9	20.8	20.9
OTHER NONDURABLES	19.5	19.6	19.0	18.5	18.5
MINING	1.9	1.8	1.8	1.9	1.9
CONSTRUCTION	57.7	58.3	61.9	63.6	65.6
TRANS., COMM., UTILITIES	87.1	88.1	90.7	91.3	93.1
FINANCE, INSUR., REAL EST.	98.6	102.2	106.7	110.2	114.7
TRADE	433.3	453.8	472.0	481.8	494.5
SERVICES	388.6	403.9	418.7	425.0	434.5
GOVERNMENT	312.4	313.4	322.1	320.6	318.6
TOTAL EMPLOYMENT (Nonfarm)	1863.7	1939.4	1989.3	2011.8	2051.3

Section

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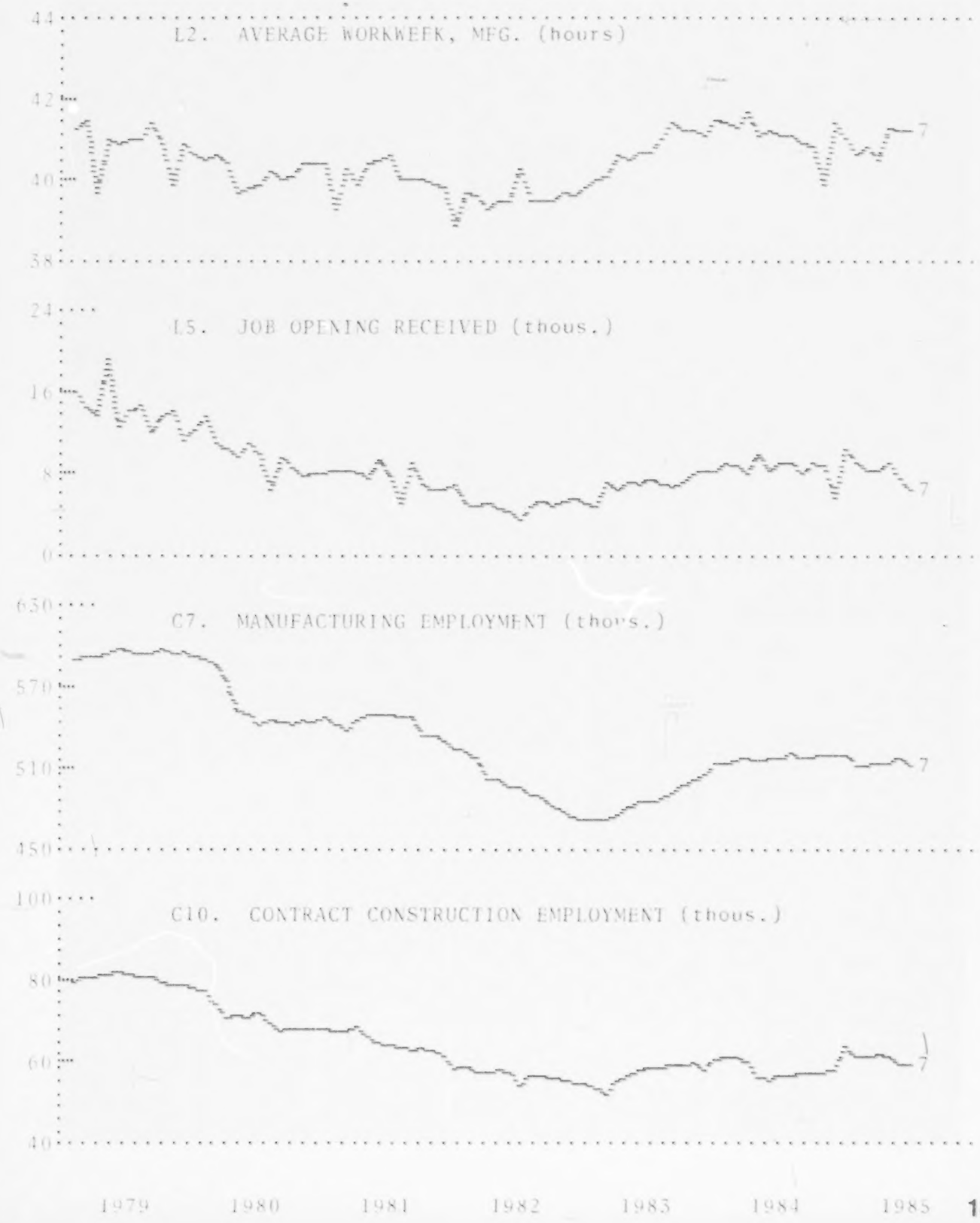

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inflation, is also expected to be somewhat weaker, growing 1.8% over 1984. Interest income has already fallen off in response to lower interest rates and farm income remains depressed. Total wages and salaries are expected to grow by slightly less than 5.0% this year and next. Wages and salaries are projected to rebound in 1987 as employment gains combine with higher wage rate inflation to produce total wage and salary gains of 7.2 percent.

Conclusion

The current forecast for Wisconsin remains largely unchanged from prevous forecasts in predicting only moderate employment and income growth through 1987. The overall international and national economic environment place limits on the growth potential of state economies, such as Wisconsin's, which are historically based on durable goods production. The unbalanced national recovery, which has been the product of federal monetary and fiscal policy, has placed unusually severe limits on the growth potential of those sectors of the economy which are sensitive to high real interest rates and import competition. Moderate growth of income and employment in a period of economic recovery is the consequence of the persistence of these inbalances.